<u>DOCKET 12-0598</u> EXCEPTIONS OF AMEREN TRANSMISSION COMPANY OF ILLINOIS

The following are the Exceptions of Ameren Transmission Company of Illinois (ATXI or the Company) to the Administrative Law Judges' Proposed Order (ALJPO) issued in this proceeding on July 3, 2013. The Exceptions are discussed in the accompanying Brief on Exceptions as indicated in this Appendix. Appropriate replacement language for the ALJPO related to each such Exception is set forth herein in blackline format. For the reasons stated in ATXI's Brief on Exceptions, the Company asks that the ALJPO be revised to incorporate the replacement language contained in this Appendix.

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Exception 1: ALJPO Section V, "Need for the Proposed Facilities and Development of a Competitive Electricity Market" (ALJPO 10-14) should be modified as follows, as discussed in Section II.A of the accompanying Brief on Exceptions:

IV. NEED FOR THE PROPOSED FACILITIES AND DEVELOPMENT OF A COMPETITIVE ELECTRICITY MARKET

The Commission has considered the parties' positions on whether the Illinois Rivers Project is necessary to provide adequate, reliable, and efficient service to ATXI's (and AIC's) customers and/or will promote the development of an effectively competitive electricity market that operates efficiently and is equitable to all customers. Overall, based on the analyses presented by ATXI and MISO, the Commission agrees that a 345 kV transmission line is necessary to address transmission and reliability needs in an efficient and equitable manner and will benefit the development of a competitive electricity market. With regard to Dr. Ragheb's concerns, the Commission concurs with his view that facilities must be sized with future needs in mind, particularly those associated with the transmission of renewable energy. The Commission also recognizes that HVDC transmission lines are more efficient than HVAC lines and ought to be considered for longer lines. The existing record, however, provides no grounds for the Commission to generally find that the Illinois Rivers Project is not the best approach to meet the needs at hand. As for Clark and Edgar CC's concerns, the Commission is satisfied that the subject transmission line will in fact extend into Indiana. Moreover, even if Clark and Edgar Counties are not in immediate need of additional transmission capacity, the Commission finds that the electric grid that they are a part of will benefit from the improvements brought by the Illinois Rivers Project. The Commission therefore generally concludes that the record supports a finding that the type of project represented by the Illinois Rivers Project is necessary and appropriate under Section 8-406.1(f)(1). Whether specific aspects of the project, such as the choice of particular routes and construction of particular substations, are appropriate and/or necessary will be resolved below.

Exception 1: ALJPO Section VI, "Least-Cost and the Proposed Line Routes" subsection E, "Pawnee – Pana" subsection 4, "Commission Conclusion" (ALJPO 82-83) should be modified as follows, as discussed in Section II.A of the accompanying Brief on Exceptions:

4. Commission Conclusion

The Commission notes that ATXI identified three routes for the Pawnee to Pana portion of the project: a Primary, Alternate Route 1, and Alternate Route 2. ATXI recommends that the Commission approve ATXI's Alternate Route 2 along this segment, contending that it avoids several residences and is shorter than either the Primary Route or Alternate Route 1, meaning it will cost less to construct.

The Commission notes that while no other routes were proposed for this portion of the project; intervenors Raynolds/Ramey oppose this route, arguing that if this route is approved, they will not be appropriately compensated for the diminution in value of their property. ATXI suggests however, that this opposition is based on property-specific concerns that are most effectively minimized by selection of ATXI's Alternate Route 2, because that route affects the fewest landowners as compared to the other routes proposed for this portion of the project. While the Commission understands the concerns of intervenors Raynolds/Ramey, this type of general concern would exist regardless of the route selected and the Commission declines to accept their objection to ATXI's recommended route.

Staff, rather than primarily supporting one of ATXI's proposed routes, or recommending a route of its own, recommends that the Commission decline to choose a route for this portion of the Illinois Rivers Project. Staff suggests that ATXI and MISO have failed to consider whether it would be preferable to have a line from Kincaid to Mt. Zion, which Staff believes might obviate the need for the Pawnee to Pana segment of the project. Staff agrees with ATXI, however, that should the Commission decide to authorize a route for this segment, the best choice would be ATXI's Alternate Route 2.

Staff, however, notes that Section 8-406.1 of the Act requires that, to grant a certificate, the Commission must find that, based upon ATXI's petition and the evidentiary record, the project is the least cost means of satisfying the objectives that initiated the project. Staff argues that given the fact that neither ATXI nor MISO appear to have studied the Kincaid-Mt. Zion option, which Staff indicates appears to be a lower cost method to satisfy the project's objectives; the Commission should not include in any certificate granted in this proceeding, permission to construct the route from Pawnee to Pana.

The Commission recognizes that ATXI disagrees with Staff on this issue...; however, the Commission is troubled by ATXI's responsive argument. In essence, it appears to the Commission that ATXI argues that ATXI and MISO considered many different route options, and since Kincaid to Mt. Zion was not chosen, it is reasonable to conclude that it was not optimal. In its Reply Brief, ATXI makes the following argument,

"(a)s it is well established that the MISO MVP process examined numerous system configurations..., it is reasonable to conclude that a Kincaid Mt. Zion alternative did not emerge as a superior option." (ATXI Reply Brief at 61) ATXI also indicates that the Kincaid facilities configurations present operational and reliability concerns that would impact any decision to connect there. ATXI points out Staff offered no evidence that it is necessary or appropriate to consider "a Kincaid to Mt. Zion option," or that such an option is feasible from an engineering or electric planning perspective. No other witness testified that a "Kincaid to Mt. Zion option" should be considered. Moreover, the record shows that Kincaid connections were considered in the MISO RGOS and MVP process, but were not adopted. Such a connection, which would be to a Commonwealth Edison Company (ComEd) facility outside the MISO footprint, also poses operational concerns, as explained by ATXI. Finally, ATXI explains that the effect of Staff's recommendation is to potentially eliminate the Pana connection, which is required to deliver the reliability and market benefits of the Project.

The Commission agrees with ATXI. It is clear that during the long and involved MISO process, Kincaid was considered as a connection point. The technical and operational concerns with connecting to Kincaid confirm it is not a viable solution, and the record shows a connection point is required in Pana. — The Commission is frankly surprised that ATXI would argue that Kincaid to Mt. Zion is not feasible, as in essence, it must have been considered and rejected because it was not chosen. While ATXI chose to file this proceeding under the expedited process provided in Section 8 406.1 of the Act, it appears to the Commission that one of the potential consequences of that filing is insufficient time to consider alternate routes. Additionally, the Commission gives very little weight to the argument that this alternative must have been considered and found wanting. The Commission finds Staff's argument to be persuasive with regard to this portion of the project, and will not The Commission therefore finds that the proposed ATXI Alternate Route 2 is the least-cost option, after consideration of all the evidence presented. The Commission will therefore decline to include as a portion of the Illinois Rivers Project authorization to construct a transmission line from Pawnee to Pana.

Regarding the Pana substation, Staff testified that "as at Pawnee, mine subsidence is occurring at AIC's existing Pana Substation, so that ATXI's decision to terminate the Pawnee to Pana segment of its Illinois Rivers Project at a new [Pana] substation outside of the area of mine subsidence is logical." (ICC Staff Ex. 1.0R, p. 37.) No other party disputes the location of the Pana substation. Thus, the Commission approves the Pana substation site proposed by ATXI, along with the Pawnee – Pana route.

Exception 1: ALJPO Section VI, "Least-Cost and the Proposed Line Routes" subsection F, "Pana – Kansas" (ALJPO 83-99) should be modified as follows, as discussed in Section II.A of the accompanying Brief on Exceptions:

VI.F Pana - Kansas

Following the Pawnee to Pana segment, the Illinois Rivers Project reflects a 345 kV transmission line from Pana to a new proposed substation southwest of Mt. Zion. The transmission line would then run from Mt. Zion to a proposed substation near Kansas. In light of the conclusion concerning the Pawnee to Pana segment, however, there is no need to address the route options for a transmission line between Pana and Mt. Zion at this time. If a direct transmission line between Pawnee and Mt. Zion is found to be appropriate, a link to Pana will not even be necessary.

1. Pana – Mt. Zion

A. ATXI Position

ATXI's recommended route for the Pana to Mt. Zion segment is the route designated in ATXI's application as the Primary Route. ATXI and MCPO have stipulated to support this route. ATXI notes that Staff and Shelby County Land Owners also support this "Stipulated Route," and that the Stipulated Route will resolve the concerns of Gan Properties, LLC. ATXI states Mr. Corzine is the only party opposing this route, and ATXI believes the route he proposes in the alternative is not preferable.

ATXI contends the Stipulated Route represents the best route option from Pana to Mt. Zion for several reasons. It is shorter and costs approximately \$10 million less than ATXI's Alternate Route. It requires fewer angles structures and will therefore cost less than the Alternate Route following Highway 51 advocated by Mr. Corzine. The Stipulated Route also impacts the fewest landowners and residences as compared to both the Alternate and Highway 51 alternate route. Furthermore, it best reduces the potential for environmental impact, will require less tree removal and best reflects input received during the public process.

ATXI notes that Mr. Corzine opposes the Stipulated Route because he is concerned about the impact on farms he owns, including aerial spraying and the functionality of farming equipment and technology. ATXI argues Mr. Corzine's concerns are not unique – they are concerns that will be present with any route, including the Highway 51 route he recommends. ATXI contends these concerns can be at least partially mitigated during the detailed design of the route. As explained by Mr. Murbarger, ATXI will seek to coordinate with each landowner on placement of the poles, and will adjust pole placement where feasible and appropriate to address specific landowner concerns.

ATXI further argues that Mr. Corzine's proposed Highway 51 route is within very close proximity to several residences south of Assumption and is proximity to many more structures. This route would also require a significant increase in the number of

angle structures, therefore increasing the cost of the route. ATXI evaluated and rejected this route for these very reasons. ATXI notes Mr. Corzine admitted at hearing that, while the Stipulated Route goes through predominantly agricultural land, his proposed alternate route impacts farms as well as residences, businesses, grain bins, a factory and a church. Thus, ATXI argues, Mr. Corzine's tradeoff for reducing impacts to his farmland is to increase the impacts to homes, businesses, and churches. While ATXI can construct any of the three proposed routes from Pana to Mt. Zion, ATXI believes the Stipulated Route is the best option.

1. <u>Length of Line and Difficulty and Cost of Construction, Operation and Maintenance</u>

ATXI indicates that the following table represents the length and cost of each proposed route for this segment of the line.

	Stipulated / ATXI Primary Route	ATXI Alternate Route	Assumption Group/Corzine Highway 51
Estimated Length in Miles	<u>35.40</u>	<u>38.62</u>	<u>31.4</u>

ATXI claims there is no record evidence the Stipulated Route would be difficult to construct, and notes that the record otherwise contains no meaningful distinction between the routes proposed as to the difficulty, if any, associated with their construction. ATXI further notes there is no record evidence the Stipulated Route would be difficult to operate and maintain or would be more costly to operate and maintain relative to the other routes proposed.

2. Impacts on Environmental and Historical Resources

ATXI states there is no record evidence the potential environmental impacts resulting from construction of the Stipulated Route would be greater than those resulting from the other proposed routes. Rather, ATXI believes the evidence suggests the Stipulated Route will have minimal environmental impacts, and notes that such impacts will occur regardless of the route approved by the Commission. ATXI states that no environmental assessment was performed for the Highway 51 route.

ATXI believes the Stipulated Route would not impact any archeological or historical sites, and suggests that no contrary evidence has been put forth in the record.

3. Social and Land Use Impacts

ATXI believes the Stipulated Route reflects an optimum location for the transmission line in that it would limit societal and land use impacts, as would ATXI's Alternate Route. ATXI notes that there are the same number of cemeteries and churches within 500 of both Primary and Alternate Routes. While ATXI's Primary Route (the Stipulated Route) impacts more prime farmland, there is one less school and 106.2

fewer acres of cultivated crop/hay within 500 feet compared to the Alternate Route. ATXI states the impacts of the Stipulated Route are primarily to farming land, and ATXI argues these impacts can be addressed though detailed design of the route, construction mitigation measures, and easement and damage compensation discussed above. ATXI argues Mr. Corzine's 51 route will also impact farmland, however, it will also impact residential areas and businesses along Highway 51. ATXI suggests there is no record evidence indicating the societal and land use impacts of the Highway 51 proposed route are such that it would be a preferred choice.

4. <u>Number of Affected Landowners and other Stakeholders and Proximity to Homes, Other Structures, and Existing and Planned Development</u>

ATXI indicates there are approximately 112 landowners and other stakeholders with property on or within 250 feet of either side of the Stipulated Route, while there are approximately 140 landowners and other stakeholders with property on or within 250 feet of either side of ATXI's Alternate Route. ATXI states the Stipulated Route would not require displacement of any residences, nor would ATXI's Alternate Route. Both routes run within 150 feet of a limited number of residential and nonresidential structures. In contrast, ATXI indicates that the Highway 51 alternate route would impact more residences.

	Residential Structures within 0-75 feet	Residential structures within 75 150 feet	
Stipulated / ATXI Primary Route	<u>0</u>	<u>1</u>	
ATXI Alternate Route	<u>0</u>	2	
Assumption Group/Corzine Highway 51	Not specified	Not specified	

With respect to existing and planned development, ATXI states there is no record evidence the Stipulated Route (or ATXI's Alternate Route) is proximate to any existing or planned development.

5. Community Acceptance

ATXI notes that the Stipulated Route emerged from the public process as a preferred route, as did ATXI's Alternate Route. ATXI contends the number of intervenors who have stipulated to or support the route demonstrates the Stipulated Route has garnered community acceptance.

6. Visual Impact

ATXI believes the visual impacts of the proposed line, if any, will be substantially the same for any route. ATXI indicates there is no record evidence that the Stipulated Route is less preferable considering visual impact than any other route proposed for this portion of the Project.

7. Presence of Existing Corridors

ATXI states that its Primary Route – the Stipulated Route – emerged, in part, from an evaluation of opportunities and stakeholder input as to preferred opportunities. As a result, ATXI believes that route, in substantial part, utilizes county roads and property lines and parallels an existing 138 kV transmission line. ATXI notes its Alternate Route also utilizes roads and property lines. ATXI argues that, because Mr. Corzine's alternate parallels Highway 51, it impacts more residences, businesses and churches, as discussed above. ATXI indicates that the Highway 51 alternate route was rejected during ATXI's rigorous routing analysis because of the increase impacts to residences and increased cost.

B. Mr. Leon Corzine Position

Mr. Corzine argues that the alternative route proposed by the Assumption Group, which in part follows Highway 51 north from Pana to Mt. Zion, is the best option for the Pana-Mt. Zion segment of the Project. Mr. Corzine acknowledges that Staff witness Mr. Rockrohr testified that the Highway 51 route lies in close proximity to several residences south of the town of Assumption, and that Mr. Rockrohr testified that there was inadequate time in the instant proceeding to explore modifications to the route to avoid these homes. As a result, Mr. Corzine advocates that the Commission deny the petition for this segment of the Project, in order to explore the route. Mr. Corzine believes that Staff's information regarding residences along the route was inaccurate. Mr. Corzine further argues that ATXI deliberately overstated the number of residences along the proposed alternative routes.

C. Staff Position

Staff recognizes that ATXI recommends approval of its Primary Route as the best option for the portion of the Project between Pana and Mt. Zion. Staff states that ATXI's Primary Route is the best choice of the routes presented, although Staff notes that the Highway 51 route may have some advantages. In particular, Staff notes that the transmission line easement could overlap the highway right-of-way so as to reduce the amount of private land impacted. However, Staff also notes that statutes provide that public utilities must obtain written consent prior to placing facilities on highway property, and eminent domain is not available against the Illinois Department of Transportation, the entity that manages Highway 51. Additionally, Staff believes that, if the Illinois Department of Transportation were to provide such authorization, it would be in the form of a revocable license, rather than an easement.

With respect to the difficulty and cost of operating and maintaining the alternatives, Staff indicates that ATXI's Primary Route would require fewer of the costly dead-end structures. Staff believes, however, that operation and maintenance of a route adjacent to Highway 51 would be relatively easier and less expensive.

ATXI, MCPO, Staff and the Shelby County Land Owners support the "Stipulated Route." The Stipulated Route will also resolve the concerns of Gan Properties, LLC. Mr. Corzine is the only party opposing this route, but the route he proposes in the alternative is not preferable.

The Stipulated Route represents the best route option from Pana to Mt. Zion for several reasons. It is shorter and costs approximately \$10 million less than ATXI's Alternate Route. It requires fewer angle structures and will therefore cost less than Mr. Corzine's Alternate Route following Highway 51. The Stipulated Route also impacts fewer landowners and residences than either ATXI's Alternate or the Highway 51 alternate route. Overall, the Stipulated Route is the preferred route from Pana – Mt. Zion – Kansas because it has fewer residential structures within 500 feet than any combination of ATXI's Proposed Routes from Pana to Mt. Zion to Kansas. Furthermore, it best reduces the potential for environmental impact, will require less tree removal and best reflects input received during this proceeding.

Mr. Corzine's proposed Highway 51 route, as acknowledged by Staff, is within very close proximity to several residences south of Assumption. This route would also require a significant increase in the number of angle structures, thereby increasing the cost of the route.

<u>The Commission's analysis of the routing criteria discussed in the positions of the parties above, produces the results displayed in the following table. A checkmark indicates that the route is favored with respect to the respective routing criteria.</u>

<u>PANA - MT. ZION</u>				
	Stipulated	Assumption Group /		
Routing Factor:	Route	Corzine Highway 51 Route		
Length of Line	=	<u> </u>		
Difficulty and Cost of Construction	<u> </u>	=		
Difficulty and Cost of Operation and				
Maintenance	=	=		
Environmental Impacts	<u>✓</u>	_		
Impacts on Historical Resources	<u>✓</u>	=		
Social and Land-Use Impacts	<u>√</u>	=		

Number of Affected Landowners and Other Stakeholders, and Proximity to Homes and Other Structures	<u></u>	=
Proximity to Existing and Planned Development	=	=
Community Acceptance	√	=
<u>Visual Impact</u>	=	=
Presence of Existing Corridors	<u></u>	=
TOTAL:	<u>7</u>	1

Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria described above favor the Stipulated Route for the Pana-Mt. Zion portion of the Project over all other proposed routes. Therefore, the Commission finds that the Stipulated Route for the Pana-Mt. Zion portion of the Project is the least-cost route when all costs and benefits are taken into account.

2. Mt. Zion Substation

Earlier in this proceeding, Staff and Moultrie PO questioned the need for a new substation outside of Mt. Zion. Staff has since rescinded its objections and Moultrie PO has entered into a stipulation with ATXI under which it will also not object to a new Mt. Zion substation. A question remains, however, as to the appropriate location for the Mt. Zion substation.

Staff contends that even though the 345 kV line will supply a 345/138 kV transformer near Mt. Zion, a preferable location for the Mt. Zion substation is further south - nearer a line between Pana and Kansas, as sought by the Village of Mt. Zion. Staff understands that the Village of Mt. Zion seeks an alternate substation site south of the site proposed by ATXI, specifically along Henry Road, on the east side of Section 28, rather than along Sulphur Springs Road, on the north side of Section 17, as ATXI proposes. Staff contends that it is more economical for AIC to extend two 138 kV lines further south to the 345 kV line than for ATXI to extend two 345 kV lines north to Mt. Zion. Staff explains that this is due to the fact that structure and hardware for 345 kV lines are more costly, and the required rights-of-way for 345 kV lines are wider and therefore more costly as well. Furthermore, Staff continues to believe that the location of the new Mt. Zion substation should be determined after simultaneously considering both the 345 kV line routing and the routing for the connecting 138 kV line to avoid difficult routing choices for the 138 kV connections.

As noted above, Staff witness Rockrohr explains that ATXI's exclusion of the 138 kV connections from the Illinois Rivers Project creates potential problems. First, since potential routes for AIC's 138 kV lines are not to be determined in this proceeding, Mr.

Rockrohr is concerned that attendees of ATXI's public meetings are likely unaware of the possibility that ATXI or AIC might construct additional 138 kV transmission structures and lines in the near future. Second, the location of ATXI's substations determines not only the proposed 345 kV route, but will also determine the route for any future 138 kV lines to be constructed in order to connect AIC's existing 138 kV system to ATXI's proposed substations. Since the landowners who might be affected by the location of those 138 kV lines and structures may not have known that ATXI's proposals might affect them, Staff fears that there would be no reason for them to attend the public meetings for this proceeding because they are not along ATXI's proposed 345 kV transmission line routes. Staff maintains that it, ATXI, intervening parties, and the Commission should be able to consider information about possible routing for both 345 kV and 138 kV transmission lines, not only the 345 kV lines. Mr. Rockrohr asserts that it is possible that the public could have provided ATXI with important information regarding potential 138 kV routes that could have caused ATXI to select a different substation site entirely. Since, in most cases, ATXI proposes that two transmission line segments connect to each of its proposed substation sites. Staff points out that any change in the location of a substation site would require both segments that connect to the substation site to have routes other than the routes that ATXI is proposing. For these reasons, ATXI's exclusion of the 138 kV connections could lead to some decisions on substation siting and 345 kV line routing in this proceeding that are made with incomplete information, resulting in unnecessarily difficult route selections for the 138 kV connecting lines in future proceedings.

ATXI argues that Staff's proposal is inferior from a reliability standpoint. ATXI states that it performed a preliminary analysis to determine if the proposed relocation of the Mt. Zion substation farther south along a hypothetical Pana substation to Kansas substation 345 kV line, coupled with two 138 kV lines extending northward to the Mt. Zion PPG substation, is a viable option to address the future reliability issues in the Decatur area. ATXI reports that the analysis indicated that a Mt. Zion south substation with two longer 138 kV lines connected to the Mt. Zion PPG substation did not address the future Decatur reliability concerns as effectively as the ATXI proposal. Due to the increased impedance of the long 138 kV lines, ATXI states that the voltage support provided by a Mt. Zion south substation is inadequate to return certain post-contingency voltages above the 95% threshold. The voltage issues would become even more severe than indicated, ATXI continues, when expected additional Archer Daniels Midland Company load is served. For these reasons, ATXI asserts that relocating the proposed Mt. Zion substation farther south as suggested by Staff is not a viable solution due to the future reliability issues in the Decatur area. As for the location of future 138 kV lines connecting to a new Mt. Zion substation, ATXI believes that landowners attending the open houses were generally aware ATXI's future needs. ATXI provided maps in this proceeding of potential 138 kV corridors and included the landowners impacted by those corridors in its notice lists.

MISO is concerned about any delay in the construction of the Illinois Rivers Project. According to MISO witness Webb, any delay would be detrimental to providing the intended benefits to Illinois and the MISO region. Mr. Webb testifies that the Mt.

Zion substation should be in service in 2016. MISO seems to suggest that because its planning process was very thorough there could be no other viable options and the resulting project must be approved to meet the time table that it and ATXI has established.

The Commission has considered the competing concerns of the parties regarding the location of a new Mt. Zion substation and finds Staff's ATXI's argument most persuasive. Although tThe Commission agrees that a new substation in the Mt. Zion area is necessary, exactly where that substation should be located is less certain. The record reflects that the new substation, wherever it is built, will include a 345/138 kV transformer, therefore there will be at least one 138 kV transmission line emanating from the new Mt. Zion substation. Specifying the location of the substation based solely on the location of one of the connecting 345 kV lines (that being the line from Kansas) without knowing where other connecting transmission lines will be coming from (the aforementioned 138 kV line and the other 345 kV line from either Pawnee or Pana) would unreasonably restrict future efforts to site those other transmission lines. Therefore the Commission will not approve a particular location for a new Mt. Zion area substation at this time. The Commission recognizes that MISO engaged in significant planning prior to the initiation of this docket and acknowledges MISO's concerns about delay, but can not simply abdicate its authority and responsibility to MISO. Acceptance of the MISO process and results on blind faith would render the Commission's review a meaningless gesture. The Commission also agrees with ATXI that Staff's "southern" proposal would be inferior from a reliability standpoint. ATXI's proposed location is the superior location and is approved.

Fortunately for ATXI, the uncertainty surrounding the location of a new Mt. Zion substation does not prohibit the Commission from selecting a route for the 345 kV line from Mt. Zion to Kansas. One of the three proposed routes between Mt. Zion and Kansas rises above the other two and warrants selection regardless of the ultimate location of the Mt. Zion substation. The Commission will compare and contrast the three proposed routes below.

C. Mt. Zion - Kansas

1. ATXI Position

Pursuant to its stipulation with Moultrie PO, ATXI seeks approval of a route developed by Moultrie PO between Mt. Zion and Kansas ("MZK Route"). The route is shown on ATXI Ex. 13.7. ATXI chose this route over its own Primary and Alternate Routes, which are also depicted on ATXI Ex. 13.7. In light of the stipulation between it and Moultrie PO, ATXI considers the MZK Route to best represent the balance of the interests of the parties and as best supported by the overall record.

7. Commission Conclusion

The presence of existing corridors is the final criterion addressed by the parties. Existing corridors such as roads and utility facility corridors are often useful to consider when selecting sites for future utility facilities. While it is not clear that ATXI's routes follow any existing utility facility corridors, the MZK Route, as noted above, follows an existing 138 kV line for nearly one quarter of its length. ATXI indicates as well that a 345 kV line corridor had been previously acquired elsewhere along the MZK Route. The record does not reflect whether any of the three routes are immediately adjacent to any other corridors. The Commission finds that this criterion favors the adoption of the MZK Route.

Upon consideration of all of the criteria, the Commission finds the MZK Route to be the least cost route for the Mt. Zion to Kansas segment of the Illinois Rivers Project. But because, as discussed above, the location of the new Mt. Zion substation has not been approved, the MZK Route is only approved from the existing Kansas substation west to the Macon County line. Stopping the line at the Macon County and Piatt County border at this time will provide sufficient flexibility to resume the line along an appropriate route once the location of the new Mt. Zion substation is identified. That portion of segment from the substation to the county border should be determined at the same time the substation location is determined.

Exception 1: ALJPO Section X, "Findings and Ordering Paragraphs" (ALJPO 132-134) should be modified as follows, as discussed in Section II.A of the accompanying Brief on Exceptions:

X. FINDINGS AND ORDERING PARAGRAPHS

Having given due consideration to the entire record, the Commission is of the opinion and finds that:

- (1) ATXI is a public utility pursuant to the Act;
- (2) the Commission has jurisdiction over ATXI and the subject matter of this proceeding;
- (3) the facts recited and conclusions reached in the prefatory portion of this Order are supported by the evidence and are hereby adopted as findings herein;
- (4) the route for the transmission line segment between the Mississippi River and Quincy, Quincy and Meredosia, Meredosia and Ipava, Meredosia and Pawnee, <u>Pawnee and Pana, Pana and Mt. Zion, Mt. Zion and Kansas, Kansas and the Indiana state line; and Sidney and Rising should be approved along the routes identified in the prefatory portion of this Order;</u>
- (5) the route for the transmission line segment between Pawnee and Pana and between Pana and Mt. Zion should not be approved in this proceeding;
- (6) the proposed new or expanded substations at Quincy, Meredosia, <u>Ipava</u>, <u>Pana</u>, <u>Mt. Zion</u>, <u>Kansas</u>, <u>Sidney</u>, <u>Rising</u> and Pawnee should be approved at the locations identified in the prefatory portion of this order;
- (7) the proposed new or expanded substations at Ipava, Pana, Mt. Zion, Kansas, Sidney, and Rising should not be approved in this proceeding;
- (8) pursuant to Section 8-406.1(f)(1) of the Act, the Commission finds that the portions of the project approved herein are is necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least cost means of satisfying the service needs of the public utility's customers or and that the project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives:
- (9) pursuant to Section 8-406.1(f)(2) of the Act, the Commission finds that ATXI is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction;

- (10) pursuant to Section 8-406.1(f)(3) of the Act, the Commission finds that ATXI is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers;
- (11) pursuant to Section 8-406.1(h), the Commission finds that ATXI shall pay a one time construction fee to each county in which the project is constructed within 30 days after the completion of construction; the construction fee shall be \$20,000 per mile of high voltage electric service line constructed in that county, or a proportionate fraction of that fee; the fee shall be in lieu of any permitting fees that otherwise would be imposed by a county;
- (12) pursuant to Section 8-406.1(i) of the Act, ATXI is authorized, pursuant to Section 8-503 of the Act, to construct the high voltage electric service line, the new and expanded substations and related facilities as approved by the Commission in the prefatory portion of this Order; and
- (13) all motions, petitions, objections, and other matters in this proceeding which remain unresolved should be disposed of consistent with the conclusions herein.
- IT IS THEREFORE ORDERED by the Illinois Commerce Commission that a Certificate of Public Convenience and Necessity is hereby issued to Ameren Transmission Company of Illinois pursuant to Section 8-406.1 of the Public Utilities Act, and that said certificate shall read as follows:

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

IT IS HEREBY CERTIFIED that the public convenience and necessity require (1) construction, operation, and maintenance by Ameren Illinois Transmission Company of segments of a 345 kV electric transmission lines over the routes found appropriate at locations approved in Docket No. 12-0598, at locations as shown on the Appendix attached hereto, as well as new substations at locations approved in Docket No. 12-0598, and (2) the transaction of an electric public utility business in connection therewith, all as herein before set forth.

IT IS FURTHER ORDERED that pursuant to Section 8-503 of the Act, ATXI is authorized to construct the high voltage electric service line, the new and expanded substations and related facilities as approved by the Commission in the prefatory portion of this Order.

IT IS FURTHER ORDERED that all motions, petitions, objections, and other matters in this proceeding which remain unresolved are disposed of consistent with the conclusions herein.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Act and 83 III. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

Alternative Exception 1: ALJPO Section X, "Findings and Ordering Paragraphs" (ALJPO 132-134) should be modified as follows, as discussed in Section II.A of the accompanying Brief on Exceptions:

X. FINDINGS AND ORDERING PARAGRAPHS

Having given due consideration to the entire record, the Commission is of the opinion and finds that:

- (1) ATXI is a public utility pursuant to the Act;
- (2) the Commission has jurisdiction over ATXI and the subject matter of this proceeding;
- (3) the facts recited and conclusions reached in the prefatory portion of this Order are supported by the evidence and are hereby adopted as findings herein;
- (4) the route for the transmission line segment between the Mississippi River and Quincy, Quincy and Meredosia, Meredosia and Ipava, Meredosia and Pawnee, Mt. Zion and Kansas, Kansas and the Indiana state line; and Sidney and Rising should be approved along the routes identified in the prefatory portion of this Order;
- (5) the route for the transmission line segment between Pawnee and Pana and between Pana and Mt. Zion should not be approved in this proceeding;
- (6) the proposed new or expanded substations at Quincy, Meredosia, and Pawnee should be approved at the locations identified in the prefatory portion of this order;
- (7) the proposed new or expanded substations at Ipava, Pana, Mt. Zion, Kansas, Sidney, and Rising should not be approved in this proceeding;
- (8) pursuant to Section 8-406.1(f)(1) of the Act, the Commission finds that the portions of the project approved herein are is necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the portions approved herein are the least cost means of satisfying the service needs of the public utility's customers or and that the project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the portions approved herein are the least cost means of satisfying those objectives;
- (9) pursuant to Section 8-406.1(f)(2) of the Act, the Commission finds that ATXI is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction;

- (10) pursuant to Section 8-406.1(f)(3) of the Act, the Commission finds that ATXI is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers;
- (11) pursuant to Section 8-406.1(h), the Commission finds that ATXI shall pay a one time construction fee to each county in which the project is constructed within 30 days after the completion of construction; the construction fee shall be \$20,000 per mile of high voltage electric service line constructed in that county, or a proportionate fraction of that fee; the fee shall be in lieu of any permitting fees that otherwise would be imposed by a county;
- (12) pursuant to Section 8-406.1(i) of the Act, ATXI is authorized, pursuant to Section 8-503 of the Act, to construct the high voltage electric service line, the new and expanded substations and related facilities as approved by the Commission in the prefatory portion of this Order; and
- (13) all motions, petitions, objections, and other matters in this proceeding which remain unresolved should be disposed of consistent with the conclusions herein.
- IT IS THEREFORE ORDERED by the Illinois Commerce Commission that a Certificate of Public Convenience and Necessity is hereby issued to Ameren Transmission Company of Illinois pursuant to Section 8-406.1 of the Public Utilities Act, and that said certificate shall read as follows:

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

IT IS HEREBY CERTIFIED that the public convenience and necessity require (1) construction, operation, and maintenance by Ameren Illinois Transmission Company of segments of a 345 kV electric transmission lines over the routes found appropriate at locations approved in Docket No. 12-0598, at locations as shown on the Appendix attached hereto, as well as new substations at locations approved in Docket No. 12-0598, and (2) the transaction of an electric public utility business in connection therewith, all as herein before set forth.

- IT IS FURTHER ORDERED that pursuant to Section 8-503 of the Act, ATXI is authorized to construct the high voltage electric service line, the new and expanded substations and related facilities as approved by the Commission in the prefatory portion of this Order.
- IT IS FURTHER ORDERED that all motions, petitions, objections, and other matters in this proceeding which remain unresolved are disposed of consistent with the conclusions herein.
- IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Act and 83 III. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

Exception 2: ALJPO Section V, "Need for the Proposed Facilities and Development of a Competitive Electricity Market" (ALJPO 10-14), should be modified as follows, as discussed in Section II.B of the accompanying Brief on Exceptions:

V. NEED FOR THE PROPOSED FACILITIES AND DEVELOPMENT OF A COMPETITIVE ELECTRICITY ELECTRICITY MARKET

* * *

The Commission has considered the parties' positions on whether the Illinois Rivers Project is necessary to provide adequate, reliable, and efficient service to ATXI's (and AIC's) customers and/or will promote the development of an effectively competitive electricity market that operates efficiently and is equitable to all customers. Overall, based on the analyses presented by ATXI and MISO, the Commission agrees that a 345 kV transmission line is necessary to address transmission and reliability needs in an efficient and equitable manner and will benefit the development of a competitive electricity market. With regard to Dr. Ragheb's concerns, the Commission concurs with his view that facilities must be sized with future needs in mind, particularly those associated with the transmission of renewable energy. The Commission also recognizes that HVDC transmission lines are more efficient than HVAC lines and ought to be considered for longer lines. The existing record, however, provides no grounds for the Commission to generally find that the Illinois Rivers Project is not the best approach to meet the needs at hand. As for Clark and Edgar CC's concerns, the Commission is satisfied that the subject transmission line will in fact extend into Indiana. Moreover, even if Clark and Edgar Counties are not in immediate need of additional transmission capacity, the Commission finds that the electric grid that they are a part of will benefit from the improvements brought by the Illinois Rivers Project. The Commission therefore generally concludes that the record supports a finding that the type of project represented by the Illinois Rivers Project is necessary and appropriate under Section 8-406.1(f)(1). Whether specific aspects of the project, such as the choice of particular routes and construction of particular substations, are appropriate and/or necessary will be resolved below.

Exception 2: ALJPO Section VI, "Least-Cost and the Proposed Line Routes," Subsection C, "Meredosia – Ipava," Subsection 5, "Commission Conclusion" (ALJPO 52-54), should be modified as follows, as discussed in Section II.B of the accompanying Brief on Exceptions:

5. Commission Conclusion

* * *

An additional issue which is presented for this segment appears to be ATXI's desire to build a new substation south of Ipava. The Commission notes, however, that there is a <u>limited paucity of discussion on this issue in ATXI's Initial or Reply Brief following the hearing. The record evidence, however, addresses this.</u> The Commission does note that ATXI witness Dyslin testifies in part as follows:

2. ATXI intends to acquire a new substation site south of Ipava, Illinois. The land ATXI intends to acquire consists of approximately 154 acres and is currently being farmed. This parcel is currently held by a private landowner, from whom ATXI has a signed contract for sale. ATXI anticipates closing on the transaction on or before November 15, 2012; (ATXI Ex. 8.0 at 3)

The Commission further notes ATXI witness Hackman testifies:

A new substation site will be developed in the Ipava area. The area around the existing transmission substation was judged by the Design professionals on the selection team to be unsuitable for the ultimate development of the Project substation because of the topology and proximity of the road, residence and watercourse. As such, a preferred site and alternate site were selected, one east and one west of the existing substation. Both the preferred and alternate sites had the benefit of minimizing integration costs and had good "build-ability." During the Real Estate activities though, the preferred site was found to pose concerns that would make line routing more difficult, so an additional site to the east was pursued. This site had the benefit of minimizing integration costs with the added benefit of slightly better routes for future circuits. This second alternate site was the site ultimately chosen for the new Ipava substation. (ATXI Ex. 3.0 (2d Rev.), p. 14.)

Mr. Hackman also testifies:

It is impractical, if not impossible, for the necessary facility additions and connections to be made within the existing substations Mr. Rockrohr identifies. As explained in my direct testimony, ATXI determined that it was preferable to construct new substations, rather than modify the existing facilities, based on space requirements, engineering requirements

(including, but not limited to, control cable length, station service design limiting bus crossing and circuit ingress and egress, topology), and potential future development needs of the existing substations. Specifically, the new facilities that ATXI proposes to install are intended to accommodate: three string, three breaker per string, breaker-and-a-half 3000 A, 345 kV substation facilities to terminate the line segments of the Project, consisting of the following major equipment: nine (9)- 345 kV breakers, twenty-four (24) 345 kV motor-operated switches, and 345 kV bus conductor; also, a 345/138 kV, 560 MVA autotransformer and associated 138 kV, 3000A, transformer low-side circuit breaker. proposed configurations at Ipava, Kansas, Sidney and Rising require a much larger substation development than exists. Further, the existing substations at those sites did not have a 345 kV breaker or 345 kV bus. much less the 345 kV breaker-and-a-half positions required to terminate the Project's lines. Accordingly, the existing facilities are not sufficient to terminate those lines, and they offer the least reliable substation configuration with their straight bus configuration. The new substations, as proposed by ATXI, are necessary and will address the limited capabilities of the existing AIC substations at Ipava, Kansas, Sidney, and Rising.

(ATXI Ex. 12.0 (Rev.), pp. 21-22.)

Staff, however, suggests that the existing substation at Ipava could be expanded to the south or to the north to provide adequate space for the 345 kV termination and tie to existing AIC 345 kV line. Staff's opinion is based on the aerial view and website information gathered by Mr. Rockrohr. Staff notes that ATXI does not propose installing a 345/138 kV transformer at Ipava, so not as much space would be required as at some of the other substation sites that it proposes. Staff suggests there does not appear to be any compelling reason why a new, additional substation site east of the existing AIC substation site would be necessary to tie the proposed 345 kV line to the existing AIC 345 kV line. Staff further states that ATXI does not possess a drawing of or know the dimensions of the existing Ipava substation, and so does not know whether it could terminate its proposed 345 kV line using the existing AIC substation at Ipava.

The Commission finds based on the evidence presented in this proceeding that there is insufficient evidence at this time to authorize the construction of a new substation at Ipava, Illinois. The Commission finds that based on the evidence presented, the current substation located at Ipava, Illinois is <u>not</u> sufficiently sized and <u>or</u> capable of expansion such that it could handle the additional facilities required by the this portion of the Illinois Rivers Project.

Exception 2: ALJPO Section VI, "Least-Cost and the Proposed Line Routes," Subsection F, "Pana – Kansas," Subsection 7, "Commission Conclusion" (ALJPO 97-99), should be modified as follows, as discussed in Section II.B of the accompanying Brief on Exceptions:

7. Commission Conclusion

* * *

Upon consideration of all of the criteria, the Commission finds the MZK Route to be the least cost route for the Mt. Zion to Kansas segment of the Illinois Rivers Project. But because, as discussed above, the location of the new Mt. Zion substation has not been approved, the MZK Route is only approved from the existing Kansas substation west to the Macon County line. Stopping the line at the Macon County and Piatt County border at this time will provide sufficient flexibility to resume the line along an appropriate route once the location of the new Mt. Zion substation is identified. That portion of segment from the substation to the county border should be determined at the same time the substation location is determined.

Exception 2: ALJPO Section VI, "Least-Cost and the Proposed Line Routes," Subsection G, "Kansas – Indiana State Line," Subsection 8, "Commission Conclusion" (ALJPO 117-120), should be modified as follows, as discussed in Section II.B of the accompanying Brief on Exceptions:

8. Commission Conclusion

* * *

With regard to the expansion of the existing Kansas substation, the Commission understands the issue to be simply whether space exists in the existing substation to accommodate new equipment. This question should be resolved through discovery because whether sufficient space exists should be easily discernible. Why this has not occurred here is uncertain. Instead, the Commission is faced with ATXI's position that more space is necessary and Staff's assertion that sufficient space is available now. Perhaps had more time been available to pursue this issue in discovery and otherwise consider such details, this issue could have been avoided. Absent a more persuasive showing by ATXI in this The record shows that the existing substation west of Kansas lacks sufficient space, thus, the Commission concludes that it will not grant ATXI approval to expand the existing substation.

Exception 2: ALJPO Section VI, "Least-Cost and the Proposed Line Routes," Subsection H, "Sidney – Rising," Subsection 6, "Commission Conclusion" (ALJPO 127-128), should be modified as follows, as discussed in Section II.B of the accompanying Brief on Exceptions:

6. Commission Conclusion

* * *

With regard to the construction of new substations adjacent to the existing substations in Sidney and Rising, the Commission understands the issue to be simply whether space exists in the existing substations to accommodate new equipment. This question should be resolved through discovery because whether sufficient space exists should be easily discernible. Why this has not occurred here is uncertain. Instead, the Commission is faced with ATXI's claims that it needs more space than is present in the existing substations and Staff's argument that sufficient space is available now. Perhaps had more time been available to pursue this issue in discovery and otherwise consider such details, this issue could have been avoided. Absent a more persuasive showing by ATXI in this The record shows that the existing substations in Sidney and Rising lack sufficient space, thus, the Commission concludes that it will not grant ATXI approval to construct new substations in these locales.

Exception 2: ALJPO Section X, "Findings and Orderings Paragraphs" (ALJPO 132-134), should be modified as follows, as discussed in Section II.B of the accompanying Brief on Exceptions:

X. FINDINGS AND ORDERING PARAGRAPHS

Having given due consideration to the entire record, the Commission is of the opinion and finds that:

- (1) ATXI is a public utility pursuant to the Act;
- (2) the Commission has jurisdiction over ATXI and the subject matter of this proceeding;
- (3) the facts recited and conclusions reached in the prefatory portion of this Order are supported by the evidence and are hereby adopted as findings herein;
- (4) the route for the transmission line segment between the Mississippi River and Quincy, Quincy and Meredosia, Meredosia and Ipava, Meredosia and Pawnee, Mt. Zion and Kansas, Kansas and the Indiana state line; and Sidney and Rising should be approved along the routes identified in the prefatory portion of this Order;
- (5) the route for the transmission line segment between Pawnee and Pana and between Pana and Mt. Zion should not be approved in this proceeding;
- (6) the proposed new or expanded substations at Quincy, Meredosia, <u>Ipava</u>, <u>Kansas</u>, <u>Sidney</u>, <u>Rising</u> and Pawnee should be approved at the locations identified in the prefatory portion of this order;
- (7) the proposed new or expanded substations at Ipava, Pana, <u>and</u> Mt. Zion, Kansas, Sidney, and Rising should not be approved in this proceeding;
- (8) pursuant to Section 8-406.1(f)(1) of the Act, the Commission finds that the portions of the project approved herein are necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least cost means of satisfying the service needs of the public utility's customers or that the project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives;
- (9) pursuant to Section 8-406.1(f)(2) of the Act, the Commission finds that ATXI is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient

- construction and supervision of the construction;
- (10) pursuant to Section 8-406.1(f)(3) of the Act, the Commission finds that ATXI is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers;
- (11) pursuant to Section 8-406.1(h), the Commission finds that ATXI shall pay a one time construction fee to each county in which the project is constructed within 30 days after the completion of construction; the construction fee shall be \$20,000 per mile of high voltage electric service line constructed in that county, or a proportionate fraction of that fee; the fee shall be in lieu of any permitting fees that otherwise would be imposed by a county;
- (12) pursuant to Section 8-406.1(i) of the Act, ATXI is authorized, pursuant to Section 8-503 of the Act, to construct the high voltage electric service line, the new and expanded substations and related facilities as approved by the Commission in the prefatory portion of this Order; and
- (13) all motions, petitions, objections, and other matters in this proceeding which remain unresolved should be disposed of consistent with the conclusions herein.

Exception 3: ALJPO Section VI.G, "Least-Cost and the Proposed Routes, Kansas – Indiana State Line," Subsection 8, "Commission Conclusion" (ALJPO 117-120) should be modified as follows, as discussed in Section II.C of the accompanying Brief on Exceptions:

8. Commission Conclusion

The first task in addressing this segment of the Illinois Rivers Project is to determine whether the concerns raised by Clark and Edgar CC warrant deferring the selection of a route at this time. Despite infirmities in the record, the Commission finds that sufficient information exists to determine the most suitable route among those offered and will therefore not defer a decision on this segment. Based on the criteria discussed by the parties, two routes rise as the most advantageous: ATXI's Alternate Route and Stop Coalition's Route 2. Stop Coalition's Route 1 may very well be acceptable as well, but too many unknowns surround this route in order for the Commission to confidently consider it. ATXI's Primary Route also fails to make the list of routes worth considering in light of the problems associated with the federal floodplain easement. The Commission is not convinced of ATXI's view that the Primary Route remains viable under the circumstances.

ATXI's handling of the floodplain easement issue along its Primary Route causes the Commission to pause before choosing between ATXI's Alternate Route and Stop Coalition's Route 2. While the Commission has no reason to doubt the statements of the NRCS, regardless of the truth of those statements, the Commission is surprised and concerned by ATXI's failure to consider them. Approximately three weeks before filing its initial petition, ATXI received notice of a potentially serious problem along its Primary Route. Yet ATXI witness Murphy testifies that she took no action in response thereto. (Tr. at 876) Only after NRCS raised its concerns for a fourth time did ATXI decide it needed to address them. Its solution is an "alternative pole placement" (see Tr. at 890-891) of more than one-quarter mile. In her explanation of the alternative pole placement, ATXI witness Murphy states, "I think we characterized it in a data request response as not a modification but for all intents and purposes it was just alternative pole placements." (Id. at 891) If such a change simply represents an "alternative pole placement," the Commission questions how large of a change must occur before it becomes a modification to a route. To assist ATXI in answering this question, a change of more than one-quarter mile should not be considered a simple adjustment of poles. ATXI witness Murbarger testifies that once an easement is established, ATXI has about five feet of flexibility from the centerline concerning pole placement. (see Tr. at 401-402) This latter type of adjustment is more properly described as an alternative pole placement. ATXI's late, significant modification of its Primary Route and labeling it an "alternative pole placement" appears to be effort to minimize and avoid taking responsibility for poor judgment in ignoring communications from a federal agency. Whether or not the statements by NRCS are accurate, ATXI had a responsibility to pursue the issue and not ignore it until nearly the end of this process. Furthermore, in exchange for the option to seek expedited treatment of transmission line siting petitions. electric utilities are supposed to put greater emphasis on preparing their proposals and identifying potential route conflicts prior to filing. ATXI did not fulfill this responsibility in

this instance. In the future, ATXI would be wise to avoid such mistakes to begin with, admit them if they occur, and accept whatever consequences may follow.

Turning to the pros and cons of ATXI's Alternate Route and Stop Coalition's Route 2, the Commission finds that the difference in length is negligible while the difference in cost favors Stop Coalition's Route 2. As for the difficulty of construction, operation, and maintenance, the main concern seems to be the presence of an existing 138 kV transmission line along a large portion of Stop Coalition's Route 2. In the absence of sufficient space between the two transmission lines, some parties, including ATXI, suggest that construction, operation, and maintenance could be more difficult. Because sufficient space can avoid any such problems, however, the Commission is not concerned by parallel lines under these criteria. With regard to environmental impacts, Stop Coalition's Route 2 may be only marginally more favorable simply because there are more details in the record on this particular issue that favor that route. Regardless of which route the Commission adopts, however, there are bound to be similar environmental impacts. The impact on historical resources and land use are other areas where ATXI's Alternate Route and Stop Coalition's Route 2 are comparable.

The number of occupied homes near each route is a topic on which the Commission wishes it had more information. The record lacks a count of occupied homes near Stop Coalition's Route 2. While ATXI reports six residences within 75 to 150 feet of the centerline of its Alternate Route, the Commission is hesitant to accept this number as accurate in light of ATXI's own testimony that it did not make a ground level assessment of structures along the routes and based its decisions on assumptions made from its aerial survey. ATXI's claims that one or more homes along Stop Coalition's Route 2 may need to be raised is not taken lightly by the Commission. But at the same time, ATXI's insistence that it can make adjustments to accommodate landowners elsewhere along its preferred route causes the Commission to question the likelihood of such an outcome. Why ATXI could not make similar adjustments along the route is unclear to the Commission. Staff also questions the need to demolish any occupied structures. Overall, the Commission simply lacks reliable information concerning this criterion. Perhaps had more time existed, this void in the record would not exist. The record being what it is, the Commission can not say with confidence which route is preferable under this criterion.

Proximity to existing and planned development may be an area where ATXI's Alternate Route is marginally favored. Aside from common local uses shared by both routes, ATXI reports that Stop Coalition's Route 2 may traverse the planned Wabash Gas Storage Field in Edgar County, which may interfere with operation and maintenance of transmission facilities along that route. Whether the storage field will in fact be built is not clear, and if it is built, it is not clear whether the storage field and a transmission line along Stop Coalition's Route 2 would interfere with one another in any way. The Commission finds that the ambiguity surrounding this issue is what may only make ATXI's Alternate Route marginally more favorable than Stop Coalition's Route 2.

The next criterion, community acceptance, favors Stop Coalition's Route 2. Supporters of both routes all claim that the area community accepts the same route they favor. But perhaps the most compelling information in the record is the lack of intervenors from parcels along that part of Stop Coalition's Route 2 that does not overlap ATXI's Alternate Route. The lack of intervenors from this area indicates to the Commission that the landowners affected by Stop Coalition's Route 2 at least do not object enough to actively oppose a second transmission line in their area. Such acceptance is not mirrored along ATXI's Alternate Route.

The degree of visual impact also favors Stop Coalition's Route 2. Undeniably, an overhead 345 kV transmission line can not be hidden. If one wishes to minimize its intrusion into the landscape for this segment of the Illinois Rivers Project, the choice is between an agricultural and wooded area currently lacking any similar linear features and agricultural and wooded area where a 138 kV transmission line already exists for a great length of the route. The latter is clearly preferable. This is not to say that a second line in the same area will have no visual impact. But rather so long as space permits, a second line in the same rural area of an existing line will have less visual impact than a transmission line in a rural area previously untouched by such structures.

The final criterion discussed by the parties relates to the presence of existing corridors. Again, Stop Coalition's Route 2 is preferable. Whereas ATXI's Alternate Route does not lie within any existing corridor, Stop Coalition's Route 2 parallels an existing 138 kV transmission line for much of its length. The Commission acknowledges that ATXI's Alternate Route follows the border between Clark and Edgar County, but does not consider such an outwardly undetectable political boundary in any way comparable to an existing transmission line corridor.

With regard to the expansion of the existing Kansas substation, the Commission understands the issue to be simply whether space exists in the existing substation to accommodate new equipment. This question should be resolved through discovery because whether sufficient space exists should be easily discernible. Why this has not occurred here is uncertain. Instead, the Commission is faced with ATXI's position that more space is necessary and Staff's assertion that sufficient space is available now. Perhaps had more time been available to pursue this issue in discovery and otherwise consider such details, this issue could have been avoided. Absent a more persuasive showing by ATXI in this record that the existing substation west of Kansas lacks sufficient space, the Commission concludes that it will not grant ATXI approval to expand the existing substation.

Upon considering the criteria discussed by the parties, the Commission concludes that Stop Coalition's Route 2, excluding the Kansas substation expansion, imposes the least cost on those affected. ATXI witness Hackman acknowledges that Stop Coalition's Route 2 does not pose any reliability problems from the perspective of parallel lines. Moreover, the parallel lines along Stop Coalition's Route 2 would be no different from 19% of the route with parallel lines that ATXI seeks to build.

ATXI, Stop Coalition, Tarble Limestone Enterprises, JDL Broadcasting, Inc., Paul Thrift and John Thompson, and the Edgar County Intervenors recommend approval of ATXI's Alternate Route (the Stipulated Route). ATXI's Alternate Route has garnered the widest overall support and is the optimal route for this portion of the Project. It is the shortest of the routes proposed. It also has a low dollar cost. Importantly, the Stipulated Route also presents the lowest potential for societal impact relative to the other route proposals.

STPL'S second alternative route (STPL Route 2) is supported by Staff and Intervenors Rural Clark and Edgar Counties Concerned Citizens (RCECCC) and the Allen Family. STPL Route 2 runs east from ATXI's proposed Kansas substation site, paralleling an existing 138 kV transmission line for approximately 20 miles, at which point it turns south and joins the Stipulated Route to the State line. STPL Route 2 could require displacement of one or more occupied homes, and it is closer to more residences than the Stipulated Route.

The Commission's analysis of the routing criteria discussed in the positions of the parties, above, produces the results displayed in the following table. A checkmark indicates that the route is favored with respect to the respective routing criteria.

<u>KANSAS - STATE LINE</u>				
Pouting Factor:	Stipulated Route	<u>ATXI</u> <u>Primary</u> Route	STPL Route 1	STPL Route 2
Routing Factor:	<u>Koute</u>	Roule	<u>Koule i</u>	Roule 2
Length of Line	<u>¥</u>	=	=	=
Difficulty and Cost of Construction	<u>√</u>	=	=	=
<u>Difficulty and Cost of Operation and</u> <u>Maintenance</u>	<u>✓</u>	=	=	
Environmental Impacts		П	=	=
Impacts on Historical Resources	√	II	H	=
Social and Land-Use Impacts	₹	=	=	=
Number of Affected Landowners and Other Stakeholders, and Proximity to Homes and Other Structures		ш	=	
Proximity to Existing and Planned Development		II	=	
Community Acceptance	✓	П	=	=
<u>Visual Impact</u>			=	=
Presence of Existing Corridors		=	=	=
TOTAL:	7	<u>0</u>	<u>0</u>	<u>0</u>

Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria described above favor the Stipulated Route for the Kansas-Indiana State Line

APPENDIX A - Exceptions

portion of the Project over all other proposed routes. Therefore, the Commission finds that the Stipulated Route for the Kansas-Indiana State Line portion of the Project is the least-cost route when all costs and benefits are taken into account.

Exception 4: ALJPO Section IV, "Propriety of the Petition" (ALJPO 7-9) should be modified as follows, as discussed in Section II.D of the accompanying Brief on Exceptions:

IV. PROPRIETY OF THE PETITION

Section 8-406.1 of the Act became effective on July 28, 2010 with the adoption of Public Act 96-1348. The revisions to the Act contained in Public Act 96-1348 were made at the urging Ameren Corporation. In its sole discretion, ATXI has chosen to avail itself of the procedures in Section 8-406.1 to obtain expedited consideration of its Illinois Rivers Project. The Illinois Rivers Project, if not the largest, is one of the largest transmission line construction projects proposed in Illinois within the last few decades. As noted above, this project spans 375 miles and has affected at least 8,436 landowners.

Given the scope of this project, the Commission questions ATXI's exercise of its discretion to seek expedited review. From their respective Initial Briefs, the Farm Bureau and Raghebs apparently share this concern. The Farm Bureau in particular is troubled by the schedule in this matter and questions to what extent due process has been provided. Any projects affecting landowners' rights must be given careful and complete consideration. This is particularly so when the impact can not be easily reversed, as is the case once a high voltage electric transmission line is constructed. The Commission acknowledges ATXIs' efforts at public engagement, which include the creation of a dedicated Illinois Rivers Project website and holding numerous public meetings generally along the route of the proposed facilities. Nevertheless, the sheer size of this project calls into question how well any entity can anticipate, identify, and address the many facets that are inherent to such a project. ATXI's own experience in this proceeding provides several examples of the problems and concerns that may arise.

The earliest of ATXI's problems relate to the lists of potentially affected landowners it filed on November 7, 2012. The lists of potentially affected landowners, municipalities, and nearby utilities contained numerous errors and redundancies which required the Chief Clerk's Office to spend considerable time reviewing the lists to ensure that they were accurate and usable. At least two weeks under the expedited schedule were lost before notice of the prehearing conference could be sent. Two months later ATXI realized that it neglected to send a complete list of landowners with its initial filing. The only blessing associated with this shortcoming in ATXI's filing is that due process required the Commission to extend the deadline to provide the newly notified landowners some semblance of an opportunity to respond.

So that it has meaningful options to consider when confronted with landowners' objections to the construction of a transmission line on or near their property, the Commission typically provides landowners an opportunity to identify alternative routes for the transmission line. But whereas ATXI has had at least seven years to prepare the massive Illinois Rivers Project and file it at a time of its choosing, the expedited schedule in this proceeding only afforded landowners less than three weeks to identify

alternative routes and those that own the impacted land. The Commission knows from numerous utility facility siting dockets that many factors must be considered in selecting facility routes. To what degree landowners were able to satisfactorily consider such factors in preparing their alternate routes is unknown.

ATXI had the opportunity to reduce the burden of this proceeding when presented with the ALJs' December 12, 2012 ruling. The ALJs inquired as to whether ATXI would be willing to withdraw the Ipava to Meredosia segment and/or the Sidney to Rising segment from this docket. ATXI declined with regard to both segments. Generally, ATXI asserted in its December 19, 2012 response that because the four components of the Illinois Rivers Project were simultaneously considered by MISO as part of its MVP Portfolio, the four components must remain together. According to the "MISO Transmission Expansion Plan 2011," dated December 19, 2011, MISO considered the components four separate projects within a portfolio of multiple projects. ATXI added that withdrawing any segment would jeopardize its 2016 in-service date. ATXI also expressed concern about having to repeat the statutorily required notices and public meetings if it withdrew either segment and re-filed as another docket. Such explanations by ATXI, however, do not resolve the Commission's confusion as to why after at least seven years of planning, ATXI now insists that these four components of the Illinois Rivers Project benefit from a sense of urgency. Nor does the Commission take well ATXI's suggestion that its hands are tied now because of its own earlier decision to submit the four components in the same petition. The expenditure of resources by ATXI to implement its decisions does not somehow justify the decisions and in and of itself preclude other courses of action on its part.

On May 3, 2013, the ALJs presented ATXI with another opportunity to lessen the burden of this proceeding. On that date, the ALJs noted the volume of testimony received and number of routes under consideration and inquired whether ATXI would be willing to withdraw its request for expedited consideration, thereby eliminating the need for haste in resolving this matter. Rather than consider amending its petition as a request under Section 8-406 (or some other option where areas without alleged reliability concerns were given more time), ATXI's May 7, 2013 response to the ALJs' inquiry questioned the legality and practicality of withdrawing its desire for expedited consideration. ATXI also asserted that the number of routes was manageable in light of stipulations that it has entered into with various individuals and groups. The Commission acknowledges that ATXI has entered into seven stipulations, but this fact does not alleviate the Commission's concerns. Given that the alternative routes proposed by intervenors were identified in a matter of weeks, the Commission has no assurance that as of vet unidentified shortcomings in these hastily developed routes will not later emerge if adopted under one of the stipulations. The facts of Docket No. 06-0706, which also involved ATXI under its prior name, offer an example of problems that arose under a stipulation involving ATXI's own alternate route. The fact that the routes ATXI developed for this proceeding on its own schedule appear to have shortcomings does not provide the Commission with any confidence in the decision to expedite the Illinois Rivers Project.

Such shortcomings in ATXI's own routes and analysis became apparent during the evidentiary hearing. ATXI witness Murphy testified at the hearing that in some areas of the ATXI primary and alternate routes only aerial surveillance was done. (Tr. 745) Ms. Murphy also reported that "we conservatively assumed that any building that appeared to be a residence was, in fact, an occupied residence." (Tr. at 753, see also Tr. at 784-785) She acknowledges that ATXI did not confirm from the ground the occupancy of any building. (Tr. at 754) This assumption disturbs the Farm Bureau and Raghebs, who believe such practices call into question ATXI's credibility. The risk with such an assumption was revealed when ATXI cross-examined Mr. Corzine regarding his alternative route proposal along U.S. Route 51 in Shelby and Macon Counties. Utilizing a map projected on a screen, counsel for ATXI asked Mr. Corzine about several structures along Route 51 that ATXI understood from satellite imagery to be residences. Mr. Corzine testified that several of the structures were not residences but in fact were various farm buildings or commercial enterprises. (see generally Tr. at 328-335) Because the number of occupied residences along the various proposed routes is a factor in determining the suitability of each route, it is easy to see how such assumptions by ATXI can lead to errors in choosing a route. How many other ATXI assumptions about its routes and those proposed by intervenors are incorrect is not known.

Had ATXI chosen to file under Section 8-406, rather than Section 8-406.1, more time would exist to investigate potential shortcomings in ATXI's analysis. Perhaps Staff witness Rockrohr expresses the Commission's concerns best when asked if he believes the schedule for this proceeding allows for development of a complete and thorough record upon which the Commission can base its decision. Mr. Rockrohr responded as follows:

No, but I understand that the schedule in this docket is dictated by Section 8-406.1 of the Act, and it is my belief that a record that is as complete as possible will be developed. All parties appear to be working diligently to provide each other and the Commission with the best information they can within the schedule for this docket. However, due to the length of ATXI's proposed Project, and the number of interveners submitting proposals, some information about potential routes will not be thoroughly addressed in the record. My point is simply that more time for discovery and development of alternative route proposals might have led to different proposals and conclusions that are not included in the record of evidence. (Staff Ex. 1.0R at 54-55)

The Commission expects that parties will have done their best in the limited time available to respond to ATXI's proposal. But, as Mr. Rockrohr suggests, the Commission is troubled by the very real possibility that the expedited schedule for considering such a massive project may result in less than optimal outcomes. Alternatives may be overlooked and shortcomings may be missed. Regardless of ATXI's motivation or the merits of the decision to file under Section 8-406.1. ATXI has

APPENDIX A - Exceptions

exercised its legal discretion to do so and the Commission will endeavor to make the best decisions possible in light of the record.

Exception 5: ALJPO Section VI, "Least-Cost and the Proposed Line Routes," Subsection D, "Meredosia – Pawnee," Subsection 8, "Commission Conclusion" (ALJPO 75-77), should be modified as follows, as discussed in Section II.E of the accompanying Brief on Exceptions:

8. Commission Conclusion

* * *

The Commission's analysis of the routing criteria discussed in the positions of the parties indicates that on many issues, such as environmental impact, impacts on historical resources, social and land use impacts or visual impact, there is little preference between the Stipulated Route or the MSCLTF Route. Commission recognizes that some parties have indicated a route will impact a historical site, absent clear evidence of the fact, the Commission is inclined to give little weight to that assertion. It is clear from the evidence presented that as to the length of each proposed route: the MSCLTF Route is the shortest of the proposals. ATXI, however, suggests that when considering difficulty and cost of construction, or difficulty and cost of operation and maintenance; the Stipulated Route is preferable to any of the other proposals. The Commission is concerned however, that ATXI is willing to concede that paralleling a route segment to an existing transmission line is acceptable in some instances, while not preferable in other situations, while failing to adequately identify the differences which cause it to lean one way or the other. The Commission is also concerned however, that the MSCLTF Route has not been sufficiently developed for consideration in this proceeding.

Exception 6: ALJPO Section X, "Findings and Orderings Paragraph" (ALJPO 132-134), should be modified as follows, as discussed in Section II.F of the accompanying Brief on Exceptions:

X. FINDINGS AND ORDERING PARAGRAPHS

Having given due consideration to the entire record, the Commission is of the opinion and finds that:

- (1) ATXI is a public utility pursuant to the Act;
- (2) the Commission has jurisdiction over ATXI and the subject matter of this proceeding;
- (3) the facts recited and conclusions reached in the prefatory portion of this Order are supported by the evidence and are hereby adopted as findings herein;
- (4) the route for the transmission line segment between the Mississippi River and Quincy, Quincy and Meredosia, Meredosia and Ipava, Meredosia and Pawnee, Mt. Zion and Kansas, Kansas and the Indiana state line; and Sidney and Rising should be approved along the routes identified in the prefatory portion of this Order;
- (5) the route for the transmission line segment between Pawnee and Pana and between Pana and Mt. Zion should not be approved in this proceeding;
- (6) the proposed new or expanded substations at Quincy, Meredosia, and Pawnee should be approved at the locations identified in the prefatory portion of this order;
- (7) the proposed new or expanded substations at Ipava, Pana, Mt. Zion, Kansas, Sidney, and Rising should not be approved in this proceeding;
- (8) pursuant to Section 8-406.1(f)(1) of the Act, the Commission finds that the portions of the project approved herein are necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least cost means of satisfying the service needs of the public utility's customers or that the project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives;
- (9) pursuant to Section 8-406.1(f)(2) of the Act, the Commission finds that ATXI is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction:

- (10) pursuant to Section 8-406.1(f)(3) of the Act, the Commission finds that ATXI is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers;
- (11) the Commission finds that ATXI has met the requirements set forth in subsections (a), (d), and (e) of Section 8-406.1;
- (12) pursuant to Section 8-406.1(h), the Commission finds that ATXI shall pay a one time construction fee to each county in which the project is constructed within 30 days after the completion of construction; the construction fee shall be \$20,000 per mile of high voltage electric service line constructed in that county, or a proportionate fraction of that fee; the fee shall be in lieu of any permitting fees that otherwise would be imposed by a county;
- (13) pursuant to Section 8-406.1(i) of the Act, ATXI is authorized, pursuant to Section 8-503 of the Act, to construct the high voltage electric service line, the new and expanded substations and related facilities as approved by the Commission in the prefatory portion of this Order; and
- (14) all motions, petitions, objections, and other matters in this proceeding which remain unresolved should be disposed of consistent with the conclusions herein.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that a Certificate of Public Convenience and Necessity is hereby issued to Ameren Transmission Company of Illinois pursuant to Section 8-406.1 of the Public Utilities Act, and that said certificate shall read as follows:

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

IT IS HEREBY CERTIFIED that the public convenience and necessity require (1) construction, operation, and maintenance by Ameren Illinois Transmission Company of segments of a 345 kV electric transmission lines over the routes found appropriate at locations approved in Docket No. 12-0598, at locations as shown on the Appendix attached hereto, as well as new substations at locations approved in Docket No. 12-0598, and (2) the transaction of an electric public utility business in connection therewith, all as herein before set forth.

IT IS FURTHER ORDERED that pursuant to Section 8-503 of the Act, ATXI is authorized to construct the high voltage electric service line, the new and expanded substations and related facilities as approved by the Commission in the prefatory portion of this Order.

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IT IS FURTHER ORDERED that all motions, petitions, objections, and other matters in this proceeding which remain unresolved are disposed of consistent with the conclusions herein.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Act and 83 III. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.